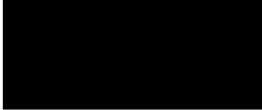


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DIARY NOTES

DD/S



26 May 1959

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25X1A9a

25X1A5a1

1. I met with Shef Edwards, [REDACTED] and representatives from [REDACTED] to discuss the new badging project which was approved by the Project Review Committee in the amount of \$315 thousand. It now develops that, on a cost plus fixed fee contract, it would cost an estimated \$243 thousand to get one prototype. Assuming that this was satisfactory in all respects some twenty-eight additional units would bring the total cost to an estimated \$600 thousand to \$1 million. Inasmuch as this seems expensive for what we are getting and since we would have to go back to the PRC, I decided that we would not go forward with this project at this time. I believe, however, that some system will be developed within the next year or two which can be installed for substantially less money and I requested Shef to continue to pursue this matter.

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2. Jim Garrison was in to brief me on a number of things concerning his office, among which was his proposal to establish a procurement activity [REDACTED] I think it is a fact that many of the companies with which we now have contracts are moving to that general area and that his idea is sound. He will come up with something concrete before too long.

3. Ed Saunders alerted me to the fact that John Bagnall of the Foreign Documents Division had initiated some action to use \$2 million worth of Public Law 480 money through the Library of Congress and the National Science Foundation for translations. Ed is investigating this and I asked him to insure, if possible, that the use of these funds was credited to the Library of Congress and the National Science Foundation rather than to us. If we were to get credit, it is reasonable to assume that the Bureau of the Budget and the Congress would attempt to reduce our budget by that amount.

25X1A

4. I talked to [REDACTED] about our "overtime policy" paper which he has amended to take care of the night duty officer situation. I asked him to check it out with General [REDACTED] the Deputy Director (Plans) and the Deputy Director (Intelligence). I also discussed with him briefly the "honor awards" paper which Lyman Kirkpatrick submitted to the Director. We agreed that we should hold this in abeyance until Gordon Stewart returned. However, I felt that we should delineate more clearly between incentive awards for which we give money and honor awards for which we do not give money.

5. I discussed with Ed Saunders and Mr. Dulles the Department of State's budget presentation to the Senate Appropriations Committee. The Director was forceful in his statement that the Department of State should attempt to get Senate approval to finance the NIS Program and Ed was requested to relay this to State.

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6. Ed Saunders has received a request from the Bureau of the Budget to supply them, at the earliest possible date, with a very rough projection of our budget request through Fiscal Year 1963. He was disposed to tell them that we expected to continue at our present level of operations and that any increase would be towards the restoration of the level of the Contingency Reserve to [REDACTED] I told him that I thought this was too conservative and that we should ask for increases; however, I agreed to raise this matter at the Deputies' Meeting to get some policy guidance from the Director. I also agreed to raise the question of whether we could put any money for our new building in the Fiscal Year 1961 Budget. 25X1A1a

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